



COUNTY OF LOS ANGELES CHILD SUPPORT ADVISORY BOARD

Los Angeles County
Board of Supervisors

Gloria Molina
Yvonne Burke
Zev Yaroslavsky
Don Knabe
Michael D. Antonovich, Mayor

2006

PUBLIC MEMBERS

First District

Vacant
Vacant

Second District

Paula G. Leftwich
John O. Murrell

Third District

Lucy T. Eisenberg, Esq., Chair
Janice Kamenir-Reznik, Esq.

Fourth District

Jean F. Cohen
Maria C. Tortorelli, Esq.

Fifth District

Reginald Brass
Susan Speir, Vice Chair

GOVERNMENT MEMBERS

Chief Information Office

Jon W. Fullinwider

Department of

Children and Family Services
Dr. David Sanders

Department of

Public Social Services
Bryce Yokomizo

Child Support Services

Department
Philip Browning

Los Angeles Superior Court

David Jetton

EX OFFICIO MEMBERS

California Department of

Child Support Services
Mary Lawrence

Franchise Tax Board

CHILD SUPPORT ADVISORY BOARD MINUTES JUNE 22, 2006

Present

2nd District, Paula Leftwich
3rd District, Lucy T. Eisenberg, Esq.
3rd District, Janice Kamenir-Reznik, Esq.
4th District, Jean Cohen.
5th District, Reginald Brass
5th District, Susan Speir
Chief Information Office,
Fred Nazarbegan
Child Support Services,
Philip Browning
Children and Family Services,
Sue Harper
Public Social Services,
Sylvia Valencia
Superior Court,
David Jetton
CA Department of Child Support
Services, Mary Lawrence

Guests

Lori Cruz
Avi De Turenne
Wayne Doss
Lisa Garrett
Steven Golightly
Gail Juiliano
James Maher
Shamara McFarland
Sheryl Spiller

Lawrence Hill

Staff

Gabe Alexander
Tim McTighe

Absent

1st District, George J. Gliaudys, Esq.
1st District, Jane Preece, Esq.
2nd District, John Murrell
4th District, Maria Tortorelli, Esq

Franchise Tax Board,
Debbie Strong

Deputy Director, Branch Operations, CSSD
Director, Court Trustee, CSSD
Chief, Change Mgmt. Division, CSSD
Special Assistant, CSSD
Chief Deputy Director, CSSD
Chief, QAPI, CSSD
Chief Ombudsperson, CSSD
CSSD
Adm. Deputy, Mgmt. and Admin. Services, CSSD

SEIU, Local 660

Board of Supervisors
Board of Supervisors

CALL TO ORDER

A quorum of eight voting members being present, Chair Eisenberg called the meeting to order at 9:41 a.m. in Room 726-A of the Kenneth Hahn Hall of Administration.

APPROVE MINUTES OF MAY 25, 2006

On motion of Member Kamenir-Reznik, seconded by Vice Chair Speir, and carried unanimously, the minutes for May 25, 2006 were approved.

DIRECTOR'S REPORT — To include: Additional legislative funding; Postponement of V1.3 implementation date; Staff awards by NCSCA

Director Philip Browning reported that:

- During the recent trip to Washington, D.C., Mr. Browning and members of the Board of Supervisors met with several senators and representatives to discuss the impending federal budget cuts scheduled to take effect in fiscal year 2007. Child support funding in California is facing cuts of \$90 to \$100 million and Los Angeles County could lose up to \$20 million. While there is some support among legislators to restore funding for child support programs, a meeting with Representative Bill Thomas proved unproductive. Representative Thomas felt that the current federal contribution of approximately 75% was too high, and he was not receptive to a restoration of funding.
- Funding will likely remain flat until fiscal year 2007. Discussions continue with State legislators in an attempt to educate them about the value of the child support system. Mr. Browning pointed out that Los Angeles County recovered \$12 million in excess of its expenses operating the local Los Angeles child support program. This money was returned to the State, and with receipt of 2 to 1 matching federal funds, balloons into a \$35 million gross return.

Chair Eisenberg inquired about the 75% federal funding figure. Mr. Browning replied that when all of the matching funds are taken into account, the federal government does shoulder about 75% of the financial burden. In addition to the 2 : 1 match, there is an incentive pool of approximately \$450 million that states compete for. Disbursement is based on the five performance measures as established by Congress. California currently receives between \$46 and \$47 million from this pool, and these funds are also matched by the federal government at 2 : 1.

Member Brass joined the meeting at 9:53 a.m.

- Mr. Browning has asked SEIU leadership to aid in getting word of CSSD's success to the State legislature. He noted that the State has added \$12 million to the 2006/2007 budget for child support funding, and

that Los Angeles County could receive up to \$2.5 million. Mr. Browning cautioned that the budget is not final, and these amounts are still subject to the Governor's final approval and subsequent passage by the Legislature.

Member Cohen noted that the State's revenues were higher than expected this year, and while there was interest in expanding the Healthy Families program, disagreement on whether to include undocumented residents has delayed passage of the budget. Chair Eisenberg asked what CSSD would do with extra funds. Mr. Browning explained that CSSD hoped to use the funds for increasing collections, but since the funding proposal provides for the money to be used to improve performance measures, further evaluation was necessary. Mr. Browning agreed to report back to the Board when the amount of funding and its use are determined.

- Two significant awards have been presented to Los Angeles County employees by the National Child Support Association. Commissioner Roberta Lee was named Judicial Officer of the Year, and Division III Chief Charles Mandel was named Outstanding Manager of the Year.
- The implementation date of V 1.3 has been postponed by one month. The ARS and CASES systems will continue in use and the anticipated date for the implementation of the new system is February, 2007. The delay is not expected to interfere with federal certification review in September.
- The implementation of the Statewide System (SWS), using a single statewide database, will create problems in payments where duplicate cases exist in more than one county, and where near matches of identification occur. This has resulted in a major effort by CSSD to clean up data. Approximately 10,000 duplicate cases have been identified. Near matches and misidentifications are also being corrected.

Chair Eisenberg inquired if there was a deadline for completing the cleanup and what criteria were being used to evaluate progress. Mr. Browning pointed out that new cases are filed daily, and that data cleanup will always be an ongoing process. There is a sense of urgency, however, with the impending conversion to the Statewide System, and CSSD staff has been working overtime to resolve these cases.

Member Cohen asked Mr. Browning to clarify the systems in use and the transition to the new system. Mr. Browning explained that the ARS system is currently used in three counties (including Los Angeles County) and the CASES system is currently used in the other counties. These two systems are being combined into SWS (Statewide System) and the State is seeking federal certification based on this combination. All counties will migrate to the new CCSAS-CSE system beginning in February of 2007, with three counties leading the way. By September, 2008, the ARS and CASES systems will no longer be in use and will be retired. Member Cohen asked about the extent of

design work completed on the new system, and the amount of input CSSD has in its development. Mr. Browning replied that IBM has not yet completed the design and that CSSD has some limited input. Mr. Browning noted the complexity of the system and pointed out that it must serve the largest child support operation in the world.

Member Leftwich joined the meeting at 10:05 a.m.

Vice Chair Speir inquired about a duplicate case transfer (DCT) that incurred a two month delay when sent from the branch office to Commerce before being sent to Orange County. She asked if the branch office could send the case directly to the new county. Mr. Browning explained that the emphasis has been placed on cases where collection of money was involved, and that CSSD is trying to avoid multiple working of such DCT cases prior to the August 1 implementation of the Statewide System. Ms. Lori Cruz stated that their interpretation of the State's directive required CSSD to have one DCT coordinator, and that coordinator is based in Commerce. Mr. Browning stated that no changes would be made in the process at this time, but stressed that cases where an emergency funding issue was involved would be processed promptly.

Member Harper joined the meeting at 10:15 a.m.

Chair Eisenberg asked about the reasons behind the postponement of implementation of the Statewide System to August 1. Mr. Browning replied that the delay was due to the large number of defects in the system. CSSD is using the additional time to clean up its data. Staff from several counties familiar with the use of the CASES system will be working in the same room with CSSD staffers using the ARS system to help speed resolution of data conflicts resulting from near matches.

Ms. Mary Lawrence pointed out that whenever a new system is implemented transitions are not seamless, and that the purpose of testing is to mitigate the negative effects of the transition. Ms. Lawrence asked if an exception to the single coordinator requirement in DCT cases for Los Angeles County would help speed up the transfer process. Mr. Browning agreed that such a policy change could help, but that resources can not be pulled from fulfilling the five mandated performance measures.

Member Nazarbegan stated that tools are available to aid in identifications and reduce duplicate data, and noted the similar problems encountered by the Department of Health Services. He explained that by creating a matrix of information using fingerprints and demographic information, as well as names, addresses, and other vital statistics, accuracy and speed could be significantly improved. Mr. Browning expressed the hope that similar procedures would be part of the new CSSAS-CSE system, but added that change orders were expensive. He noted the difficulty in persuading the State of the need to include an automated interface with the courts and the Recorder's office. Ms. Lawrence stated that the design of the system was geared to what a majority of

counties require, but that since Los Angeles County was the largest, it should have a significant voice initially. She added that while the State is willing to modify the system, the certification process must not slow down as a result. Member Kamenir-Reznik asked if federal or state funds were available to enable integration of beneficial county adaptations to the system. Ms. Lawrence replied that funding for system changes was categorized by department or function and separate from the IT budget. Mr. Browning added that the State still has the option to add functions or make changes after the certification process has been completed, and that the current administration has been receptive to input from CSSD.

DCSS DIRECTOR'S REPORT — To include: Review of new Department policies; summary of proposals for improving collections on arrears

Ms. Mary Lawrence reported that:

- The policy letter requested by the Child Support Advisory Board (clarifying the ambiguity regarding whether a case should be opened when a referral is received from welfare, or only opened after welfare is approved) is expected to be drafted by early August, and then undergo a two to four week review period. There are currently 12 other policy letters in process, however, which could result in additional delay.

Chair Eisenberg pointed out that this letter has been on the State's table since last July. Member Kamenir-Reznik inquired whether CSAB wanted to pursue legal intervention with the hope of spurring the State into action. Vice Chair Speir asked about the Board's previous decision to seek the advice of County Counsel on this issue. Chair Eisenberg stated that County Counsel advised the Board to first communicate with the State, and the Board must now decide whether to wait until September and review the State's progress, or proceed in the pursuit of legal action. Chair Eisenberg asked Mr. Browning if other counties would be interested in joining the effort. Mr. Browning pointed out that some counties would not like this issue clarified, and others are indifferent. He also pointed out the uniqueness of the County's automated interface, and the need to be sure of the interpretation before undertaking the expense and the process of changing the interface.

Chair Eisenberg and Member Kamenir-Reznik made inquiries as to what was in the best interests of the departments and of the customers. Mr. Browning responded that the current practice is in the customer's best interest because it speeds the process of getting child support if the customer is approved for welfare. CSSD, however, could reallocate a significant number of staff to other needs since only about 50% of the referrals are actually approved for welfare. Member Kamenir-Reznik pointed out that Los Angeles County statistics become skewed as a result, and make the County appear to be less productive than others. She also noted that the interpretation has millions of dollars in impact.

Mr. Browning stated his preference for the County's current interpretation

because it helps those who need assistance the most and reaches out to them while still in the DPSS office. Member Kamenir-Reznik asked if advocacy groups would be interested in joining an effort to persuade the State to act. Vice Chair Speir stated the issue was important to her, and added that use of electronic referrals instead of paper referrals would result in less missed cases. Member Kamenir-Reznik asked if the method of referrals tied in to the issue of the State's interpretation. Mr. Browning explained that the goal of the Department was to see all potential applicants and that the paper referrals had more extensive information. While some potential applicants may be missed in the process, the service was valuable to the customer.

Mr. Wayne Doss explained that paper referrals are required under federal regulations. He also illustrated the advantage of getting ambiguities in information resolved at the beginning of the process, and noted that otherwise the department would lose contact with the customer. Vice Chair Speir asked about integrating the use of electronic and paper referrals to eliminate errors. Mr. Doss stated that a reconciliation effort was underway with DPSS to pinpoint differences in caseloads and improve the process.

Chair Eisenberg stated that the method of referral was a separate issue, and asked if the Board had an opinion on what action, if any, the Board should take to expedite clarification of the issue by the State. Vice Chair Speir inquired whether County Counsel would be willing to send a letter to the State. Mr. Browning expressed the view that such a letter must contain a threat of legal action to be effective. Mr. Browning stated that clarification had been forthcoming, but a complication must have arisen. Member Cohen noted that the State has had a year to act, and suggested seeking intervention by the State Attorney General. Chair Eisenberg added that the State has been facing many issues in the transition and has become caught up in other priorities.

Member Kamenir-Reznik asked if the County could give notice to the State of an impending change and proceed to implement it. Mr. Browning discouraged such a route as a similar previous attempt has resulted in threatened litigation. Member Kamenir-Reznik expressed the opinion that if sufficient notice is given and the State fails to act, the State may effectively waive its right to interfere. The State could simply reply with a directive or issue the clarification prior to implementation by the County.

Mr. Browning added that the current and previous administrations have somewhat different interpretations on the issue. Member Kamenir-Reznik stated that this was an appropriate case for the Attorney General to resolve. Mr. Browning agreed to provide supporting data if the Board pursues this option.

Motion

Member Kamenir-Reznik brought forth a motion, seconded by Member Leftwich:

"The Child Support Advisory Board authorizes the Chair to arrange a meeting

with County Counsel to pursue writing a letter to the State in order to seek a unified determination of date of referral”.

The motion was unanimously approved.

Member Nazarbegian was excused from the meeting at 10:47 a.m.

Ms. Lawrence continued her report with a new policy update:

- Policy letter **CSS-06-19** — *Duplicate Case Transfer Policy Update for Statewide Services Version 1 Implementation 1.3* (copy on file). This policy update provides local child support agencies (LCSAs) with changes that will occur with implementation of the California Child Support Automation System (CCSAS) Version 1.3 (V1.3). The changes are in the areas of: 1) Case Construct; 2) Cases Management Responsibility; 3) Statewide Services V1.3 Payment Allocation; 4) Collection and Distribution; and 5) Unreimbursed Assistance Pool Balance Verification and Recoupment. Additionally, this letter provides clarification regarding Duplicate Case reporting and DCT processing of Foster Care cases.

Copies of the letter were distributed and Ms. Lawrence invited the members to contact her with any questions on the policy updates.

Chair Eisenberg then noted the importance to the State of improving the collection of arrears and invited Ms. Lawrence to comment.

- In September, 2005, an Arrears Management Roundtable sponsored by DCSS was held at the State Capitol. Members of the federal child support agency, policy makers, legislators, and DCSS staff were in attendance. Ms. Elaine Sorenson of the Urban Institute presented a Collectability Study. Five key areas were emphasized: 1) lessons learned from California based on a 2003 responsibility study; 2) a statewide look at child support research information; 3) nationwide data on arrears performance; 4) arrears performance management; and 5) what other states are doing to better manage their arrears.
- Current efforts toward arrears prevention include:
 - 1) California is working to establish an Alternative Dispute Resolution process (ADR) in the child support system. A federal grant providing funds for a pilot project in a few counties has been applied for.
 - 2) In an effort to reinforce wage withholding by employers, several LCSAs are focusing on non-paying wage assignments, and a few are focusing on including follow-up and monitoring of employee/client issues.
 - 3) Eleven counties have been identified as having the greatest opportunities for improvement. The regional administrators are working with those counties to develop performance improvement

plans. Five of these counties are primarily focusing on the arrears issue. Those counties are Imperial, Los Angeles, San Gabriel, Yolo, and Yuma.

Chair Eisenberg asked Ms. Lawrence to report back to the Board on the effectiveness of the prevention efforts in September or October.

Ms. Lawrence also reported that:

- Several outreach efforts by local LCSAs and the State are underway to strengthen the relationship between child support and employment programs, and provide information on the SDU. The DCSS Strategic Plan also targets improving relationships and outreach efforts.
- Three primary issues relating to arrears management include closing of arrears cases, revision of interest rates, and compromise of collectable arrears. DCSS is working with LCSAs to identify cases available for closure. The State is currently not willing to move forward with legislation to alter the interest rate since so few arrears are collected and because it would involve a major change in the computer system and delay federal certification.

Chair Eisenberg noted the findings in the Urban Institute Report and expressed the view that refusal to change the interest rate is the wrong policy, because it disregards a major cause of uncollectable arrears, and ignores the overwhelming financial burden placed on NCPs. Ms. Lawrence commented that while the State is not willing to sponsor legislation at this time, other sponsors can come forward and the State would have to abide by the new legislation. Member Cohen asked why a change in the interest rate would negatively impact certification, and pointed out that certification should be based on a realistic report. Ms. Lawrence explained that the system was designed earlier and that changes in the system at this time are not easily accomplished. Significant manual intervention would be required to update existing cases, and DCSS does not have the resources. Chair Eisenberg and Member Kamenir-Reznik suggested making the change prospective only. Chair Eisenberg added that California was the only state with such a high interest rate on arrears.

Mr. Browning observed that the Child Support Advisory Board could send a letter to the Board of Supervisors requesting a legislative sponsor. He pointed out that change must come from the legislature, and that DCSS may have limited options because of budget constraints. Mr. Doss added that a rate of 10% applies to all civil judgments, and that since the rate is not determined by a regulatory agency, but by legislative action, the legislature must pass an exception for child support agencies. The current rate has been in effect since the 1980s. Mr. Browning noted that most other agencies do not charge interest at all.

Member Kamenir-Reznik suggested that the rate should be tied to the prime

rate, and noted that the 10% rate was enacted when interest rates were significantly higher than today. Vice Chair Speir recalled that until the computer system came on line in 1995, interest was not charged. Mr. Browning added that San Diego County only began charging interest two years ago when it implemented ARS. Vice Chair Speir also added that if an audit was performed on a pre-1995 case, interest was applied retroactively.

Chair Eisenberg inquired as to the likelihood of a legislative remedy and if the Board should pursue it. Member Kamenir-Reznik pointed out that research to find out if precedents exist would be appropriate. Member Brass expressed the view that this was an important issue for the Board. Chair Eisenberg referred to the poor collection rate of 11% in the Urban Institute Report. Mr. Browning explained that the method used to apply interest was important. Chair Eisenberg noted that many judgments in the past were based on unrealistic formulas, resulting in disproportionate amounts of interest to principal in these cases.

Vice Chair Speir stated that the Members should be aware that the State may resist legislation to change the rate because of its reluctance to change the system. Mr. Browning stated that the system is not finished yet, but Ms. Lawrence countered that the system is far into its development. Member Kamenir-Reznik stated that the public will not be sympathetic to the State's position on its reluctance to change the system.

Chair Eisenberg stated she would confer with the Members Browning and Kamenir-Reznik on the interest rate issue, and thanked Ms. Lawrence for her report.

PUBLIC COMMENT

No public comment was made. Chair Eisenberg reported that Ms. Lorraine Cain of CSSD followed up on the Dawn Oliver case from the May, 2006 meeting. Ms. Cain reported to Member Brass that the department followed all proper procedures.

OVERVIEW OF HOW THE STATEWIDE DISTRIBUTION SYSTEM WILL WORK AND HOW CASE MANAGEMENT WILL CHANGE AFTER TRANSITION ON 8/01 — AVI DE TURENNE

Mr. Avi De Turenne, Director, Court Trustee, reported that:

- As of May 1, all child support payments are being processed at the Sacramento SDU. All child support checks are being disbursed from the SVM.
- The transition to Statewide Allocation is scheduled to occur on August 1. Currently, checks received by the SDU are still segregated by county. Payments received will no longer be segregated by County, but will be disbursed according to instructions from SWS. In cases where there are

multiple accounts in different counties, one managing county will then control disbursements to all CPs.

- On September 1, Redirection of all payments to Sacramento begins. All payments will be sent to one location in Sacramento. This simplifies the process for statewide employers, who will now only send one check to one location along with a list of employees whose wages were garnished.

Vice Chair Speir asked if employers have been told what identifying information they need to include with their payment in order for the State to properly disburse funds. Mr. De Turenne explained that a Social Security number of the NCP was sufficient, but two other items of information such as a name, pin number, case number, or date of birth can be used. If such identifying information is not found, the account will go into suspense where a team will work to resolve the issue. Mr. De Turenne noted that to date suspense rates have not risen, and that 95% of cases are resolved on the same day received.

- To prepare for the Statewide Allocation transition on August 1, CSSD is cleaning up discrepancies and inconsistencies in case file data. CSSD is also working with other counties to resolve issues with duplicate cases.
- Case management will be handled on three levels:
 - 1) Cases that involve Los Angeles County only will be handled by the current financial adjustment staff.
 - 2) Cases that involve multiple counties will be handled by a new group known as Central Financial Workers (CFWs). CFWs have been trained to handle adjustments on SWS and inter-county cases, and will be located both in Los Angeles County and Sacramento.
 - 3) Non IV-D Cases will now be handled at the state level only.
- Two letters will be sent from DCSS to employers. Drafts of the letters (copies on file) were presented. The first letter requests information on Non IV-D cases; the second explains the changes in payment methods which occur September 1.
- Employers are being encouraged to send funds by Electronic Funds Transfer (EFT)/ Electronic Data Interchange (EDI). Use of this process improves efficiency by reducing data entry and mailing errors, lowering costs, and speeding child support payments to custodial parties.

Mr. Browning pointed out that beginning September 1, customers may call because of changes in payment amounts, and persons with Non IV-D cases may also begin calling. Chair Eisenberg inquired as to the method of notification to Non IV-D parties. Mr. Browning noted that employers are being notified, and Mr. Doss added that the various bar associations are being utilized to inform attorneys of the changes.

Vice Chair Speir raised the issue of fraudulent checks, and the Members noted that two major grocery chains will no longer accept child support payment checks from the SDU. Ms. Lawrence agreed to report back on the matter. Mr. De Turenne suggested that many such cases could be eliminated by use of direct deposit by EFT.

Vice Chair Speir asked if the use of check mailing envelopes having the appearance of "junk mail" was causing complaints of lost checks. Mr. De Turenne replied that lost check claims have not increased as a result of the transition to the SDU. Mr. Browning explained that lost check claims now are made at the state level, but that an Emergency Response Team quickly evaluates complaints and will promptly issue replacement checks when warranted.

Chair Eisenberg thanked Mr. De Turenne for his report.

SCHEDULE FOR SUMMER MEETINGS

The Members discussed the upcoming summer meeting schedule.

Motion

Vice Chair Speir brought forth a motion, seconded by Member Kamenir-Reznik:

"The Child Support Advisory Board hereby cancels the July 27, 2006 meeting and will resume its regular meeting schedule on August 24, 2006."

The motion was unanimously approved.

Member Leftwich was excused from the meeting at 11:45 a.m.

REVIEW AND DISCUSS PERFORMANCE MEASURES/ BENCHMARKS FOR MONITORING IMPLEMENTATION OF DEPARTMENT STRATEGIES FOR 2005/2006 — CHAIR EISENBERG, SHERYL SPILLER, GAIL JUILIANO

Chair Eisenberg stressed that the primary focus of the Board should be to set benchmarks that enable the Board to evaluate the progress of improvement of CSSD in specific areas.

- The Monthly Report consists of performance measures essentially relating to customer service (originated by Price-Waterhouse during its audit of the child support system), and four of the five federally mandated performance measures.

Chair Eisenberg asked about the difference between the old and new calculation methods for state data. Ms. Gail Juiliano explained that the State decides which method to use, and there are slight differences in the formulas used in each method. Mr. Browning added that the State is entitled to use whichever method is to its advantage.

Chair Eisenberg asked the Board to consider what other data the Board should monitor, and then distributed a handout defining CSSD goals and strategies for fiscal year 2005/2006 (copy on file). Key strategies include methods to increase collections on current support to 47%, increase collections on arrears from 46.77% to 50%, and increase total collections of \$505 million by 2%.

Strategies to Increase Collections on Current Support to 47%

Increase "Just Ask" payment collections by 15%

Ms. Juiliano reported that:

- The goal for fiscal year 2005/2006 of increasing "Just Ask" payment collections by 15% has been surpassed.

Mr. Browning applauded the installation of ATMs at branch offices, enabling customers to make payments by obtaining cash from credit or debit cards.

Implement early intervention process with earnings assignment task in each division by 2/1/06

Mr. Doss reported that:

- Implementation of an early intervention process has been delayed because of programming issues during the transition to the Statewide System. Under the current system, a wage assignment notice is sent out and, if no response is received within 45 days, a second package is sent out. If still no response is received, then a worker is tasked to contact the employer 30 days after mailing the second package. The total time for initial contact can be as long as 75 days. The new process will eliminate the mailing of the second package (saving significant paper, postage, and labor costs) by sending an inquiry letter to the employer after 30 days from the sending of the first package, and a worker will be tasked to contact the employer 15 days later, reducing the contact time by 30 days--from 75 to 45 days.

Chair Eisenberg asked how the early intervention process could be monitored. Mr. Doss replied that cases would have to be sampled. The initial response level from employers would be known, but actual compliance would have to be monitored by case workers. Mr. Doss cautioned that reliance on State data can be misleading as a monitoring tool due to inaccuracies and inconsistencies in methods. Ms. Juiliano agreed, but pointed out that CSSD can determine if it is getting better information from the process. Ms. Juiliano and Mr. Doss agreed to provide a progress report to the Board at the November meeting.

Input 100% of accrual credits in appropriate cases by 9/30/06

Ms. Juiliano reported that:

- The goal of 100% input has been achieved. Data is being kept to verify performance, and the use of incentive programs has helped create heightened awareness on the part of CSSD personnel.

Input terms in 90% of new orders and stipulations within 48 hours of receipt with 99% accuracy

Ms. Juiliano reported that:

- While data is available to show the number of cases reported and the timeliness of the response, data regarding accuracy is not currently available.

Mr. Browning suggested that sampling could be done to give an estimate of accuracy. Vice Chair Speir asked if “motions to vacate” and “set-asides” were included in the orders and stipulations subject matter. Ms. Juiliano replied that all orders including modifications, arrears orders, set-asides, etc... were included. Chair Eisenberg asked for a progress report at the November meeting.

Review service of process practices

Chair Eisenberg noted that Vice Chair Speir has brought forth several cases where service of process was not properly made, but was nonetheless signed and submitted to the Court as having been properly served. Chair Eisenberg inquired regarding the strategies employed by CSSD to review service of process practices.

Mr. Steven Golightly reported that there were two key issues requiring review:

- The first issue involves whether personal service achieves better results in obtaining payments than does subservice.
- The second issue involves how to monitor the performance of contractors.

Ms. Sheryl Spiller reported on the monitoring process:

- The Contract Division meets bi-monthly with site coordinators to review contractor issues, and also reviews vendor statements and creates a report on a bi-weekly basis. If questions arise regarding a vendor's performance, the Contract Division will verify that performance. While contractors are allowed a 5% margin of leeway for accuracy, the error rate is typically 2 to 3%.
- Problem cases where proper service or identification questions arise are reported by other divisions to the Contract Division. In such cases, the vendor is not paid unless satisfactory performance is verified.

Chair Eisenberg asked what strategies are being employed with respect to service of process to increase collections. Mr. Golightly explained that the Contract Division is looking into incorporating the employment of more than one contractor in its upcoming Request for Proposal (RFP), with a goal of improved performance through increased competition. Mr. Browning added that if the monitoring process reveals fraud on the part of the contractor, the contract would be terminated.

Vice Chair Speir expressed the view that in some cases descriptions of the person served as provided by the servers were often generic in character and of questionable accuracy, and these cases also raised an issue of whether an attempt was even made to serve the party. Member Kamenir-Reznik asked if these were isolated cases or if this was widespread. Vice Chair Speir suggested that random checks could be instituted to follow process servers to the address of service. Member Kamenir-Reznik pointed out that service of process covers a broad spectrum of legal actions and that there should be a presumption of legitimacy on the part of a licensed process server. Vice Chair Speir added that the 2 to 3% error rate may be low because many clients contact CSSD not knowing that they were supposedly served, and that CSSD personnel may not always inquire about receipt of service. Member Brass concurred with Vice Chair Speir, and stated he has seen numerous cases where service was not made as reported by the process server.

Chair Eisenberg inquired about the process used for review of the 2 to 3% of cases where errors were found. Ms. Spiller explained that most cases involved errors in identification or other information, and that these cases were eventually resolved. If fraud is found, the contractor would be fired. Ms. Juiliano pointed out that QAPI monitors 100% of cases involving service of process. If improper service is found, the case is reserved, and the case essentially starts over. Ms. Lori Cruz added that a case is not processed for default in such instances.

Vice Chair Speir noted that if an incorrect address was in the system or if the person sought was incarcerated, QAPI would be unable to determine if there had been fraudulent service. Ms. Juiliano agreed that inaccurate address information or lack of notice of incarceration could prevent detection of fraud or errors.

The Board addressed the issue of personal service versus subservice. Ms. Juiliano reported that:

- A sampling of 150 personal service cases and 149 subservice cases were reviewed. No significant differences were found in terms of results leading to payment. The sampling did reveal that cases having verified earnings had a higher likelihood of payment.

Ms. Juiliano added that a sampling could be done of cases involving "set-asides" to determine if improper service was a factor. Vice Chair Speir noted that many cases might be set aside under a provision other than improper service. Member Kamenir-Reznik pointed out that subservice to the last address of record after a reasonable investigation is valid, and that in many cases the issue might be one of obtaining the most current address, rather than a fault with the process server. Member Brass stated that in 85 to 95% of his child support cases, an NCP was not served at his current address even though that address was known to the CP, and often service was made to an address that the NCP had never lived at, and, in some cases, the name shown on the service was different than the name of the NCP. Member Brass stated his view

that some contractors may conspire with other parties to avoid proper service, and that he felt many NCPs would respond if properly served. Ms. Lisa Garrett added that in some cases NCPs may elect not to respond to proper service when it is their personal interest not to do so.

Mr. Browning pointed out that Los Angeles County is statistically in line with the State and that all counties have some problems with service of process. He reiterated that if a particular contractor acts in a fraudulent manner, the contractor will be fired and may be subject to criminal prosecution.

Chair Eisenberg asked the Department to investigate the six cases brought forward by Vice Chair Speir. Mr. Golightly felt that six cases would not be indicative of any trend. Member Kamenir-Reznik stated that if serious violations were found, further investigation would be warranted. Ms. Spiller explained that in three of the six cases, subservice to the last known address would be valid under the rule even though the parties were incarcerated at the time. The Department agreed to investigate the six cases and report back to the Board.

Strategies to increase collections on arrears from 46.77% to 50%

Implement civil contempt program in each division by 3/1/06

Ms. Juiliano reported that:

- The program was implemented on June 1, 2006. Civil contempt cases are now tracked for six months after the hearing date. Ms. Juiliano agreed to report back to the Board in December.

Test a property refinance project in Division 5 by 2/1/06

Ms. Juiliano reported that:

- Efforts to inform and educate NCPs with real property about refinancing resulted in six cases being identified over a four month period. Collections made totaled approximately \$150,000.

Decrease follow-up time on demands to 5 days after receipt in 95% of cases

Ms. Juiliano reported that:

- Logs are being kept and the goal has been achieved.

Implement improved workers compensation procedures in each division by 4/15/06

Chair Eisenberg noted that this item would be covered in detail in the report "Benchmarks for Monitoring Implementation of 'Campaigns'", but asked Mr. Doss to update the Board on the status of workers compensation collections.

Mr. Doss distributed a chart (copy on file) that illustrated workers compensation collections from January, 2005 to May, 2006.

- Beginning in October, 2005, efforts were undertaken with Court Trustee staff to resolve discrepancies involving characterization of workers compensation collections and funds collected from disability benefits. Significant gains in workers compensation collections were reported as a result. However, in May, 2006, the implementation of the SDU resulted in workers compensation collections being improperly categorized by the State as wage assignments or other designations.
- The Change Management Division and Court Trustee staffers are working to resolve the issue with the SDU. Until consistency is achieved, the data will have little value in showing improved collections, and independent research efforts will be required.

Chair Eisenberg asked if any other data could be used to evaluate workers compensation collections for fiscal year 2005/2006. Ms. Juiliano stated that looking at collections alone would not be enough to evaluate progress. Mr. Doss agreed, and explained that other reference bases could be used to track progress. He added that an effort to cross reference workers compensation claims with child support cases should result in many new liens being filed. These cases can be monitored to track resulting payments and how those payments are characterized by the SDU. Mr. Doss agreed to report back to the Board in January on the effectiveness of increasing payments collected through the workers compensation program.

Chair Eisenberg asked the Department to create a summary of data concerning increased collection strategies and results after the fiscal year ends. Mr. Doss stated that a summary would be provided to the Board at the November meeting.

BENCHMARKS FOR MONITORING IMPLEMENTATION OF "CAMPAIGNS"
— WAYNE DOSS, GAIL JUILIANO

This item was postponed until the August meeting.

MATTERS NOT ON THE POSTED AGENDA (TO BE PRESENTED AND PLACED ON A FUTURE AGENDA)

No additional items were discussed.

ADJOURNMENT

Chair Eisenberg declared the meeting adjourned at 12:22 p.m.